

## Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-07 INR-07 LAB-04

NSAE-00 SIL-01 DODE-00 PM-03 H-02 L-02 NSC-05 PA-01

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TAGS: PFOR, ELAB, VE

SUBJECT: CTV CONGRESS UPDATE

REF: CARACAS 535

SUMMARY: PLANS FOR THE VII CONGRESS OF THE CONFEDERATION OF VENEZUELAN WORKERS (CTV), SCHEDULED FOR APRIL 25 - MAY 1, MOVE AHEAD SMOOTHLY. JOSE VARGAS SEEMS ASSURED OF ELECTION AS CTV PRESIDENT IN ITS CONGRESS WHERE ACCION DEMOCRATICA (AD) MAY WELL HAVE AN ABSOLUTE MAJORITY. END SUMMARY.

1. ONE MONTH BEFORE THE INAUGURATION OF THE CTV'S VII CONGRESS, FORTY OF THE FIFTY COMPONENT FEDERATIONS HAVE NAMED THEIR DELEGATES. SEVEN MORE FEDERATION CONGRESSES ARE SCHEDULED PRIOR TO APRIL 24, THUS ALMOST ALL CTV FEDERATIONS WILL MEET THE CONSTITUTIONAL REQUIREMENT OF BRINGING DELEGATIONS ELECTED WITHIN THE LAST THREE YEARS TO THE CONFEDERATION CONGRESS. FEDERATION ELECTIONS HELD TO DATE HAVE OFFERED FEW SURPRISES AS AD HAS STRENGTHENED ITS ALREADY DOMINANT POSITION IN THE CTV. THE SOCIAL CHRISTIANS (COPEI) AND THE MOVIMIENTO ELECTORAL DEL PUEBLO (MEP) HAVE BOTH SUFFERED MINOR REVERSES BUT BY FREQUENTLY PACTING WITH AD HAVE MAINTAINED RESPECTABLE REPRESENTATION. THE UNION REPUBLICANA DEMOCRATICA (URD) HAS LOST ALMOST ALL OF ITS RANK-AND-FILE SUPPORT, ALTHOUGH SOME OF THE LEADERSHIP HAS BEEN RETAINED, MORE

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OUT OF RESPECT FOR INDIVIDUALS WHO ONCE LED THE SECOND MOST

POWERFUL GROUP IN THE CTV RATHER THAN THROUGH ANY NEED FOR THE FEW VOTES THEY BRING TO A COALITION. ALL OF THE TRADITIONAL AD LEADERSHIP HAS WON RE-ELECTION AT THE FEDERATION LEVEL.

2. THE BATTLE FOR THE PRESIDENCY OF THE CTV WITHIN AD HAS BECOME PUBLIC, WITH JOSE VARGAS AND CARLOS LUNA TRADING THINLY VEILED INSULTS IN THE PRESS. DESPITE FRANTIC ACTIVITY ON THE PART OF LUNA AND HIS YOUTHFUL SUPPORTERS, THE MAINTENANCE OF THE STATUS QUO AT THE FEDERATION LEVEL SEEMS TO ASSURE VICTORY FOR VARGAS IN THE AD CAUCUS. IT IS INTERESTING TO NOTE THAT THE TWO AD LABOR LEADERS (PENALVER AND MALAVE) CHOSEN TO ACCOMPANY PRESIDENT CARLOS ANDRES PEREZ ON HIS STATE VISIT TO MEXICO ARE BOTH VARGAS SUPPORTERS. TALK IS BEGINNING TO CROP UP IN AD CIRCLES OF LUNA PARTY DISLOYALTY--AN INDICATION THAT AD IS SOLIDIFYING AROUND THE VARGAS CANDIDACY.

3. THE CTV LEADERSHIP IS WORKING ASSIDUOUSLY TO CONVINCE PRESIDENT PEREZ TO HOLD THE FORMAL CEREMONY NATIONALIZING THE PETROLEUM INDUSTRY ON MAY 1, WHICH IS BOTH LABOR DAY AND THE LAST DAY OF THE CTV CONGRESS. THE MINISTRY OF MINES AND HYDRO-CARBONS AND MANY IN THE INDUSTRY ITSELF ARE REPORTED TO BE OPPOSED TO THIS CHOICE OF TIMING ON THE GROUNDS THAT IT WOULD MAKE THE WORKERS OVERCONFIDENT OF THEIR STRENGTH.

4. THE CONGRESS PROGRAM ITSELF AS ANNOUNCED TO DATE HOLDS FEW SURPRISES. ANNOUNCED AGENDA ITEMS INCLUDE: (A) REPORT OF THE EXECUTIVE COMMITTEE; (B) CONSTRUCTION OF A NEW HEADQUARTERS BUILDING; (C) NATIONALIZATION OF BASIC INDUSTRIES; (D) ECONOMIC CONDITION OF WORKERS INCLUDING INFLATION, MINIMUM WAGE, AND UNEMPLOYMENT; (E) INDUSTRIAL AND AGRICULTURAL DEVELOPMENT; (F) FINANCIAL ORGANISMS OF THE WORKERS; (G) WORKER EDUCATION; (H) ECONOMIC INTEGRATION AND THE ANDEAN PACT; (I) INTERNATIONAL RELATIONS; (J) SOCIAL BENEFITS FOR UNION LEADERS; AND (K) ELECTION OF THE NEW EXECUTIVE COMMITTEE. ITEMS OF MORE THAN PASSING INTEREST ON THIS LAUNDRY LIST ARE A NEW BUILDING FOR THE CTV WHICH WILL CERTAINLY BE FINANCED BY THE GOV, AND THE ESTABLISHMENT OF A PENSION PLAN FOR THE CTV LEADERSHIP. THE PENSION PLAN WILL ASSURE THE ECONOMIC SECURITY OF OLDER LEADERS AND HOPEFULLY CONVINCE SOME OF THEM TO RETIRE, OPENING THE WAY FOR A NEW GENERATION OF TRADE UNIONISTS.

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5. FINANCING OF THE CONGRESS WAS ASSURED BY A SPECIAL \$70,000 GRANT FROM THE GOV AND AN ADDITIONAL PROVISION THAT EACH MINISTRY MUST DONATE \$1200 TO THE MAY 1 LABOR DAY CELEBRATION. THE ENTIRE CONGRESS WITH ITS MAY 1 FORMAL CLOSING REPORTEDLY WILL COST CLOSE TO \$200,000. THE AUTOMATIC NATURE OF GOV SUPPORT FOR THE CTV WAS UNDERLINED WHEN THE CABINET MADE ITS EXTRAORDINARY APPROPRIATION FOR THE VII CONGRESS DURING THE ABSENCE OF PRESIDENT PEREZ IN MEXICO.

6. COMMENT: THE CTV CONGRESS GIVES NO INDICATION OF SURPRISES  
AT THIS EARLY DATE.  
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